

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, MAY 10, 2023

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APPLICATION OF

2023 MAY 10 A 8:37

APPALACHIAN NATURAL GAS  
DISTRIBUTION COMPANY

CASE NO. PUR-2023-00068

For approval to implement SAVE rates  
for each customer class for Year 5 of its  
SAVE Plan

ORDER FOR NOTICE AND COMMENT

On April 26, 2023, Appalachian Natural Gas Distribution Company ("ANGD" or "Company") filed an application ("Application")<sup>1</sup> pursuant to § 56-603 *et seq.* of the Code of Virginia ("Code"), known as the Steps to Advance Virginia's Energy (SAVE) Plan Act, and in accordance with the State Corporation Commission's ("Commission") July 16, 2019 Order Approving SAVE Plan and Rider for ANGD in Case No. PUR-2019-00011 ("2019 SAVE Order").<sup>2</sup> ANGD's Application seeks approval to implement SAVE rates for each customer class for Year 5 of its SAVE Plan ("Year 5 Rates").<sup>3</sup> ANGD requests that the proposed Year 5 Rates for each customer class become effective August 1, 2023.<sup>4</sup>

In its Application, the Company states that it sells and distributes natural gas to approximately 1,900 customers in the Virginia counties of Russell, Dickenson, Buchanan, Wise,

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<sup>1</sup> On May 1, 2023, ANGD filed a revised page 2 of Ex. JDJ – Schedule 17.

<sup>2</sup> *Petition of Appalachian Natural Gas Distribution Company, For approval of a SAVE Plan and Rider as provided by Chapter 26 of Title 56 of the Code of Virginia*, Case No. PUR-2019-00011, 2019 S.C.C. Ann. Rept. 361, Order (July 16, 2019).

<sup>3</sup> Application at 1.

<sup>4</sup> *Id.* at 4.

Lee, Tazewell, and Carroll.<sup>5</sup> The Company further states that in its 2019 SAVE Order, the Commission directed ANGD to file its request for Year 5 Rates by May 1, 2023, for the rate year beginning August 1, 2023, and ending July 31, 2024.<sup>6</sup> Per ANGD, the Commission also held that ANGD's "Reconciliation Rate" would be filed in Year 5 of the SAVE Plan and would reconcile the 12-month period of January 1, 2022, through December 31, 2022.<sup>7</sup>

ANGD states that, under its SAVE Plan, the Company has replaced 14,580 feet of 4-inch vintage plastic main with new 6-inch HDPE mains, and replaced 7,260 feet of 2-inch vintage plastic main with new HDPE mains.<sup>8</sup> ANGD states that it is submitting this filing for true-up purposes.<sup>9</sup> According to the Application and the documents and workpapers submitted by the Company, ANGD experienced an over-collection from all customer classes, and when the Reconciliation Rates are subtracted from the Projected Factor to arrive at the rates to be billed effective August 2023, the result is a proposed Year 5 SAVE revenue requirement of \$156,407.<sup>10</sup> According to Schedule 17 of the Company's Application, residential customers will receive a charge of \$4.98 per month, an increase of \$0.17, or approximately 4%, compared to the \$4.81 current SAVE charge.<sup>11</sup>

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<sup>5</sup> *Id.* at 1.

<sup>6</sup> *Id.* at 2.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Id.* at 2-3, and Ex. JDJ – Schedules 1, 17.

<sup>11</sup> *Id.* at Ex. JDJ – Schedule 17 (revised page 2 of 2).

NOW THE COMMISSION, upon consideration of ANG'D's Application, is of the opinion and finds that this matter should be docketed; that the Company should provide public notice of its Application; that any interested persons should be afforded an opportunity to file comments or request a hearing on the Company's Application; and that the Staff should investigate the Application and file a report containing the Staff's findings and recommendations.

We note that, if approved, the Company's proposed Application will result in an increase in customer bills. The Commission notes its awareness of the ongoing rise in gas prices, inflation, and other economic pressures that are impacting all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must and will follow the laws applicable to this case, as well as the findings of fact supported by evidence in the record.

To promote administrative efficiency and timely service of filings upon participants, the Commission will, among other things, direct the electronic filing of testimony and pleadings unless they contain confidential information, and require electronic service on parties to this proceeding.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed as Case No. PUR-2023-00068.
- (2) All pleadings in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"). Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or

submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and the Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or the Staff is impeded from preparing its case.

(4) As provided by Code § 12.1-31 and 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice, a Hearing Examiner is appointed to rule on any discovery matters that arise during the course of this proceeding. A copy of each filing relating to discovery matters made with the Office of the Clerk in this matter shall also be sent electronically to the Office of the Hearing Examiners.<sup>12</sup>

(5) On or before June 2, 2023, the Company shall cause a copy of the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's service territory within the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION BY  
APPALACHIAN NATURAL GAS DISTRIBUTION COMPANY  
FOR APPROVAL TO IMPLEMENT SAVE RATES FOR  
EACH CUSTOMER CLASS FOR YEAR 5 OF ITS  
SAVE PLAN  
CASE NO. PUR-2023-00068

On April 26, 2023, Appalachian Natural Gas Distribution Company ("ANGD" or "Company") filed an application ("Application") pursuant to § 56-603 *et seq.* of the Code of

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<sup>12</sup> Such electronic copies shall be sent to [OHEParalegals@scc.virginia.gov](mailto:OHEParalegals@scc.virginia.gov).

Virginia ("Code"), known as the Steps to Advance Virginia's Energy (SAVE) Plan Act, and in accordance with the State Corporation Commission's ("Commission") July 16, 2019 Order Approving SAVE Plan and Rider for ANG D in Case No. PUR-2019-00011 ("2019 SAVE Order"). ANG D's Application seeks approval to implement SAVE rates for each customer class for Year 5 of its SAVE Plan ("Year 5 Rates"). ANG D requests that the proposed Year 5 Rates for each customer class become effective August 1, 2023.

In its Application, the Company states that it sells and distributes natural gas to approximately 1,900 customers in the Virginia counties of Russell, Dickenson, Buchanan, Wise, Lee, Tazewell, and Carroll. The Company further states that in its 2019 SAVE Order, the Commission directed ANG D to file its request for Year 5 Rates by May 1, 2023, for the rate year beginning August 1, 2023, and ending July 31, 2024. Per ANG D, the Commission also held that ANG D's "Reconciliation Rate" would be filed in Year 5 of the SAVE Plan and would reconcile the 12-month period of January 1, 2022, through December 31, 2022.

ANG D states that, under its SAVE Plan, the Company has replaced 14,580 feet of 4-inch vintage plastic main with new 6-inch HDPE mains, and replaced 7,260 feet of 2-inch vintage plastic main with new HDPE mains. ANG D states that it is submitting this filing for true-up purposes. According to the Application and the documents and workpapers submitted by the Company, ANG D experienced an over-collection from all customer classes, and when the Reconciliation Rates are subtracted from the Projected Factor to arrive at the rates to be billed effective August 2023, the result is a proposed Year 5 SAVE revenue requirement of \$156,407. According to Schedule 17 of the Company's Application, residential customers will receive a charge of \$4.98 per month, an increase of \$0.17, or approximately 4%, compared to the \$4.81 current SAVE charge.

The details of these and other proposals are set forth in the Company's Application. Interested persons are encouraged to review the Company's Application and supporting exhibits for the details of these proposals.

TAKE NOTICE that the Commission may adopt rates that differ from those appearing in the Company's Application and supporting documents and may apportion revenues among

customer classes and/or design rates in a manner differing from that shown in the Application and supporting documents.

The Commission entered an Order for Notice and Comment that, among other things, directed the Company to provide notice to the public and provided interested persons an opportunity to comment on the Company's Application.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"), the Commission has directed that service on parties and Staff in this matter shall be accomplished by electronic means. Please refer to the Commission's Order for Notice and Comment for further instructions concerning Confidential or Extraordinarily Sensitive Information.

An electronic copy of the Application may be viewed on the Commission's website or obtained, at no charge, by submitting a written request to counsel for the Company: Brian R. Greene, Esquire, and Victoria L. Howell, Esquire, GreeneHurlocker, PLC, 4908 Monument Avenue, Suite 200, Richmond, Virginia 23230, or [Bgreene@greenehurlocker.com](mailto:Bgreene@greenehurlocker.com); [Vhowell@greenehurlocker.com](mailto:Vhowell@greenehurlocker.com).

On or before June 21, 2023, any interested person may file comments on the Application by following the instructions on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](https://scc.virginia.gov/casecomments/Submit-Public-Comments). Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All such comments shall refer to Case No. PUR-2023-00068.

On or before June 21, 2023, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at: [scc.virginia.gov/clk/efiling](https://scc.virginia.gov/clk/efiling). Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed above. Such notice of participation shall include the email addresses of such parties or their counsel, if available. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization,

corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2023-00068. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order for Notice and Comment.

On or before June 21, 2023, any interested person may request that the Commission convene a hearing in this matter by filing a request for hearing electronically via [scc.virginia.gov/clk/efiling](https://scc.virginia.gov/clk/efiling). Those unable, as a practical matter, to file electronically may file a request for hearing by U.S. mail to the Clerk of the Commission at the address listed above. Requests for a hearing shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All filings shall refer to Case No. PUR-2023-00068.

A copy of any notices of participation and requests for hearing shall be sent to counsel for the Company.

The Company's Application, the Commission's Rules of Practice and the Commission's Order for Notice and Comment may be viewed at: [scc.virginia.gov/pages/Case-Information](https://scc.virginia.gov/pages/Case-Information).

APPALACHIAN NATURAL GAS DISTRIBUTION COMPANY

(6) On or before June 2, 2023, ANG D shall serve a copy of its Application and this Order for Notice and Comment on the following local officials, to the extent the position exists, in each county, city, and town in which ANG D provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city or town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first class mail to the customary place of business or residence of the person served.

(7) On or before June 21, 2023, ANG D shall file proof of the service required by Ordering Paragraphs (5) and (6) with the Clerk of the Commission.

(8) On or before June 21, 2023, any interested person may submit comments on the Application by following the instructions on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](https://scc.virginia.gov/casecomments/Submit-Public-Comments). Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2023-00068.

(9) On or before June 21, 2023, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at: [scc.virginia.gov/clk/efiling](https://scc.virginia.gov/clk/efiling). Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address above. Such notice of participation shall include the email addresses of such parties or their counsel, if available. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2023-00068.

(10) On or before June 21, 2023, any interested person or entity may file a request that the Commission convene a hearing on the Company's Application, with the Clerk of the Commission at: [scc.virginia.gov/clk/efiling](https://scc.virginia.gov/clk/efiling). Those unable, as a practical matter, to file



electronically may file a request for hearing by U.S. mail to the Clerk of the Commission at the address above. Such request for hearing shall include the email addresses of such parties or their counsel, if available. Requests for hearing must include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All such filings shall refer to Case No.

PUR-2023-00068.

(11) A copy of each request for hearing and notice of participation shall be sent to counsel for the Company: Brian R. Greene, Esquire, and Victoria L. Howell, Esquire, GreeneHurlocker, PLC, 4908 Monument Avenue, Suite 200, Richmond, Virginia 23230, [Bgreene@greenehurlocker.com](mailto:Bgreene@greenehurlocker.com); [Vhowell@greenehurlocker.com](mailto:Vhowell@greenehurlocker.com).

(12) On or before June 28, 2023, the Company may file with the Clerk of the Commission a response to any requests for hearing and any comments filed by interested persons in this proceeding.

(13) The Staff shall investigate the Application. On or before June 21, 2023, the Staff shall file with the Clerk of the Commission a Staff Report containing its findings and recommendations and promptly shall serve a copy of the Staff Report on counsel to the Company and any respondents.

(14) On or before June 28, 2023, ANG D may file with the Clerk of the Commission any response in rebuttal to the Staff Report.

(15) Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified herein,

all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(16) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within five (5) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260 of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to the Staff.<sup>13</sup> Except as modified herein, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(17) This matter is continued.

Commissioner Patricia L. West participated in this matter.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.

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<sup>13</sup> The assigned Staff attorney is identified on the Commission's website, [scc.virginia.gov/pages/Case-Information](https://scc.virginia.gov/pages/Case-Information), by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number PUR-2023-00068 in the appropriate box.